February 13, 2015

ONTARIO CAPITAL GROWTH CORPORATION

BUSINESS PLAN
FOR NEXT THREE FISCAL YEARS
(Submitted for end of fiscal 2014-15)

Ontario
Ontario Capital Growth Corporation
Société ontarienne de financement de la croissance

Authorization:

Original Executed by:

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Signature
The Honourable Reza Moridi
Minister of Research and Innovation

March 25,2015

Date

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1.0 EXECUTIVE SUMMARY

The Annual Business Plan for the Ontario Capital Growth Corporation ("OCGC") maps out the agency's strategic direction and upcoming activities for the next three fiscal years. The OCGC Board of Directors (the "Board") and management are currently engaged in a strategic review of OCGC's future plans and direction for the next 5-10 years, and this review may impact the targets outlined in this business plan. Once the strategic review is completed, it is anticipated that the Board will undertake a review of OCGC's corporate governance.

OCGC is a corporation without share capital that was established by the *Ontario Capital Growth Corporation Act, 2008* (the "Act"), which was proclaimed in force as of February 1, 2009 as an operational enterprise agency of the Ministry of Research and Innovation (the "Ministry").

Mandate and Governing Legislation

The Act sets out the following objects for OCGC:

(a) Receives, holds, administers and otherwise deals with the interest of the Government of Ontario in the limited partnership known as the Ontario Venture Capital Fund LP;
(b) Acquire, manages and otherwise deal with the other investments or classes of investments that are prescribed by the regulations;
(c) Carries out the other objects that are prescribed by the regulations; and
(d) Receives, holds, invests, sells or otherwise deals with property, whether real or personal, in connection with the objects described in clause (a), (b), or (c).

Ontario Regulation 149/13 made under the Act prescribes additional objects:

(a) Acquires, manages and otherwise deals with a portfolio of investments in business that OCGC considers to be emerging technology businesses, which portfolio shall be known in English as the Ontario Emerging Technologies Fund and in French as Fonds ontarien de développement des technologies émergentes.
(b) Participates in the formation of one or more funds, to acquire interests in the funds, and to hold, administer and otherwise deal with those interests, where each fund meets the following criteria:
    i. It receives funding directly or indirectly from, among others, one or more of the following:
        1. The Government of Canada.
        2. The Corporation.
        3. Private sector entities.
    ii. Its goals include promoting the creation of a globally competitive venture capital industry, increasing the supply and effective deployment of early-stage investments capital, and increasing the supply of top-performing fund managers to manage venture capital investment, in Ontario and Canada.
    iii. It invests in one or both of the following:
        1. Other funds that supply venture capital to companies.
        2. Innovative companies that require venture capital.
    iv. It is managed by a private sector fund manager.

OCGC is required to provide its annual report to the MRI Minister (the "Minister") within 90 days of fiscal year end. The annual report is tabled in the Legislature. The financial statements are consolidated with the Public Accounts of Ontario.

Overview of Current and Future Programs and Activities

OCGC is currently responsible for the following venture capital funds:

Ontario Venture Capital Fund LP ("OVCF"): Launched in June 2008, the OVCF is a $205 million limited partnership between Ontario and leading institutional and corporate investors, including OMERS Private Equity ("OMERS"), RBC, Manulife Financial, TD Bank Financial Group, and the Business Development Bank of Canada ("BDC"). OVCF is structured as a fund-of-funds investing in other venture capital funds with the ability to also make direct co-investments into Ontario-based companies. The lead investors selected Northleaf Capital Partners Ltd ("Northleaf") as the fund manager. Northleaf, also acting as the general partner ("GP"), is responsible for making all investment decisions. OCGC administers the Province's $90 million partnership interest in the OVCF.

Ontario Emerging Technologies Fund ("OETF"): Launched in July 2009, the OETF was announced as a $250 million fund that makes direct co-investments alongside qualified investors into innovative, high-potential private Ontario companies in the following sectors: clean technology; life sciences and advanced health technologies; digital media and information & communications technology. As directed in May 2012 by the Ministry, OETF no longer invests in new companies and only makes investments into its existing portfolio of companies, as warranted. OCGC is solely responsible for making OETF co-investment decisions with the assistance of external service providers.

Northleaf Venture Catalyst Fund LP ("NVCF"): Launched in January 2014, the NVCF was the first fund-of-funds to launch under the Federal Venture Capital Action Plan (VCAP) program, in partnership with the Federal Government (through Business Development Bank of Canada) and private sector investors, including the Canada Pension Plan Investment Board, OpenText Corp. Manulife Financial and major Canadian banks[1]. The lead investors selected Northleaf as the fund manager. Northleaf, also acting as the general partner ("GP"), is responsible for making all investment decisions. To date NVCF has successfully completed two rounds of fund raising totalling $233.5M and is actively working to secure a third and final close. OCGC administers the Province's up to $50 million partnership interest in the NVCF.

Future Programs and Activities: As of the date of this annual business plan, OCGC has not been formally directed by the Minister or the Province to undertake any new venture capital initiatives on behalf of the Province.

[1] BMO Financial Group, Canadian Imperial Bank of Commerce, National Bank of Canada, RBC and Scotiabank

Overview of 2014-15 Results

OCGC accomplished the following key objectives as described in its previous business plan submitted for end of fiscal 2013-14:

(1) Manage the OETF investment portfolio

OCGC substantially met all 2014-15 targets related to OETF, including:

- Managing existing OETF investments and making follow-on investments, as warranted;
- Administering OETF in an efficient and cost-effective manner; and
- Monitoring interim results and reporting on key performance indicators.

OCGC approved 8 follow-on co-investments into existing OETF portfolio companies for a total commitment of $7.4 million.

Summary of OETF results as of February 13, 2015:

- 29 Qualified Investors and 6 Angel Syndicates;
- Invested in 27 Ontario-based companies;
- OETF has committed $88.1 million in 71 co-investments (both initial and follow-on);
- Leverage: Based on flowed capital, OETF has leveraged $221.7 million or approximately $2.5 of third party capital for every $1 of OETF capital;
- OETF funding to portfolio companies supported an estimated 639 full-time careers, of which 583 are located in Ontario; and
- OETF portfolio companies spent approximately $207 million on R&D and experienced revenue of $195 million.

(2) Administer the Province's partnership interests in OVCF and NVCF

OCGC substantially met all 2014-15 targets related to OVCF and NVCF including:

- Overseeing the management of the Province's OVCF and NVCF partnership interests in an efficient and cost-effective manner;
- Meeting all OVCF and NVCF capital calls within the required timelines;
- Monitoring interim results and report on key performance indicators; and
- Supporting the fund manager as required with additional fundraising strategies for NVCF to reach a second close.

Summary of OVCF results as of February 13, 2015:

- Approximately $53.9 million of the Province's $90 million commitment called;
- 9 fund commitments totalling approximately $165 million;
- 7 direct co-investments into Ontario-based companies totalling approximately $20.5 million; and
- OVCF leverage on investments:
    - Overall – $885 million or ratio of $4.7 to $1

- Fund – ratio of $3.9 to $1
- Direct co-investment – ratio of $11.1 to $1

Based on available data as of February 13, 2015, Ontario-based companies in OVCF had:

- $241.4 million in revenues;
- $50.1 million in research and development expenditures; and
- Employed approximately 1,611 people.

Summary of NVCF results as of February 13, 2015:

- Successfully completed a second close in August 2014, bringing total commitments to date to $233.5M;
- Approximately 45.7% of the Province's commitment called to date;
- NVCF has committed $115 million to venture capital funds and companies with a Canada/Ontario presence;
- 5 Fund commitments totalling $100 million (XPV Water Fund II, Georgian Partners Growth Fund II, Version One Ventures, Golden Venture Partners Fund II, and Versant Venture Capital V); and
- 4 Direct Investments totalling $15 million (Wattpad, Vision Critical, eSentire, and Silanis).

(3) Support the development of Ontario's venture capital ecosystem and the implementation of the Province's venture capital policies

In addition to coordinating activities with the fund manager, OCGC substantially met all of its 2014-15 targets related to supporting the development of Ontario's venture capital ecosystem and the implementation of the Province's venture capital policies. Including:

- Participating in major conferences and/or events in the venture capital industry to raise awareness of OCGC's mandate and potential investment opportunities in Ontario, as well as to gather further market intelligence to support venture capital public policies and to help continue the development of Ontario's venture capital ecosystem; and
- Monitoring, reviewing, and responding to developments and/or government venture capital policy initiatives as required.

In 2014-15, OCGC participated in 6 major venture capital/ angel-related events/conferences in Canada. OCGC also supported the Province's venture capital policy initiatives through fundraising efforts, including outreach to potential investors for the NVCF.

2015-18 Strategic Directions

Activities will focus on the following strategic directions:

- Manage the OETF investment portfolio;
- Administer the Province's partnership interests in OVCF and NVCF; and
- Support the development of Ontario's venture capital ecosystem and the implementation of the Province's venture capital policies.

2.0 ENVIRONMENTAL SCAN: ASSESSMENT OF ISSUES FACING THE AGENCY

Ontario venture capital market in 2014[2]

Venture investing in Ontario experienced a sizable upswing in 2014. In total, $908 million was invested across 178 deals and into 143 companies, marking year over year increases of 9%, and 23% in total deals and total investment respectively. 2014 capped five years of positive market traction following the 2008/09 financial crisis and evidence of a return to the more stable investment markets of 2003-2006[3].

Viewed by sector, venture investment in Ontario continued to be dominated by ICT[4], capturing 73% of venture dollars invested. Life sciences and clean technology start-ups secured capital roughly on par with recent years at approximately 17% and 10% of total dollars invested respectively.

Government intervention through OVCF and OETF played a key role in supporting the market at the height of the financial crisis (2008-09) and filled a gap as the market regained traction and moved towards stabilization. Though 2014's near record investment numbers point to a renewed and vibrant market, the Province is continuing to act as a catalyst to help further develop Ontario's venture capital ecosystem through the launch of NVCF.

Fundraising in Ontario remains a challenge and continues to be inconsistent year over year. The $243 million raised in 2014 measures to only 55% of the amount in the previous year and 33% of capital raised in 2012. While a degree of fluctuation can be attributed to fundraising cycles of similar vintage firms, a consistent and steady supply of capital would provide a more stable venture capital ecosystem that is less likely to be influenced by external market factors. In 2014, six (6) new venture capital funds were launched or held significant closings in Ontario; three (3) of which are successor funds to those originally capitalized with investment from the OVCF.

2.1 External Factors

In November of 2014, Teralys Capital and Kensington Capital Partners announced additional fund-of-funds closings under the VCAP program, with initial closings of $279 million and $160 million respectively. The fourth and final VCAP fund-of-funds is expected to be launched in the early half of 2015.

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[2] All statistics, figures and data refer to calendar year and are sourced from Thomson Reuters unless otherwise noted
[3] When comparing average investment and deal sizes across 2003-2006 and 2012-2014
[4] Information, Communications, and Technologies

While these new VCAP funds are not Ontario-based, Ontario captures on average 40-45% of total investments and fundraising in Canada. Therefore, it is reasonable to expect that a portion of the combined $400+ million in capital will be invested into Ontario-based funds and companies. The new funds and their eventual portfolio funds could provide Ontario, through OCGC, with additional partnership opportunities.

Time-to-exit remains higher than historical averages, such that OCGC, like other investors, may experience longer than anticipated timelines to realize returns on its investments. While there is no immediate concern, the effect of these conditions will continue to be monitored, such that OCGC will undertake appropriate action to maximize its return on investment while adhering to each fund's specific mandate and proposed life cycle.

2.2 Internal Factors

OCGC will meet its business objectives while adhering to government-wide directives.

3.0 PROGRAMS AND ACTIVITIES TO SUPPORT OCGC'S 2015-18 STRATEGIC DIRECTIONS

Highlights of key programs and activities include:

1. ***Manage the OETF investment portfolio***
    - Administer OETF in an efficient and cost-effective manner;
    - Close recommended and approved investment transactions within the required timelines; and
    - Monitor interim results and report on key performance indicators.

2. ***Administer the Province's partnership interests in OVCF and NVCF***
    - Oversee the Province's OVCF and NVCF partnership interests in an efficient and cost-effective manner;
    - Meet all OVCF and NVCF capital calls within the required timelines;
    - Monitor interim results and report on key performance indicators; and
    - Support the fund manager as required with additional fundraising strategies for NVCF to reach a third close.

3. ***Support the development of Ontario's venture capital ecosystem and the implementation of the Province's venture capital policies***
    - Participate in venture capital industry initiatives to raise awareness of OCGC's mandate and potential investment opportunities in Ontario, as well as to gather further market intelligence to support venture capital public policies and to help continue the development of Ontario's venture capital ecosystem; and
    - Monitor, review, and respond to developments and/or government venture capital policy initiatives.

Manage the OETF investment portfolio

Objective	Performance Measure	Targets
Ensure OETF investments and OETF Qualified Investors maximize value creation.	Track and benchmark existing OETF investments using venture capital metrics quarterly, seeking to continuously find opportunities to improve efficiencies.	• 100% timely reporting of metrics. • Fund performance reflects Canadian venture capital industry norms and corrective action taken as necessary.
Portfolio Management: • Review and analyze revenues, expenses, and budget forecasts to model the company(ies) cash flow requirements, such that follow-on financing demands of investors can be determined and whether participation in future financings continues to be justified. • Aggregate follow-on financings to model overall impact and pressures to the OETF portfolio both in the short and intermediate term through to exit of the portfolio company. • Review and analyze investee company operating plans and results. • Provide recommendations for follow on financing or strategic exits.	In order to make portfolio management decisions, OCGC will, on a quarterly basis, review and assess the following (including, but not limited to): • Follow-on financings; • Potential mergers and acquisitions; • Assignment of company assets; • Forbearance of covenants; • Election of company directors; • Employment of key company executives or changes thereof; • Business operating plans and results; and • Other material company changes.	Information is generated on a timely basis in order that OCGC can make fully informed discretionary decisions in the best interests of OCGC.
For each OETF portfolio company: • Track portfolio company operating results against their respective business plan targets. • Attend portfolio company board meetings as required. • Consult with other investors on portfolio company performance as required.	• Review and analyze key performance indicators on a quarterly basis. • Compare performance relative to similar publicly-listed companies in the same industry sector. • Gather market intelligence. • Identify issues of concern on a timely basis. • Review and assess key performance indicators.	Review key performance indicators and portfolio company developments on a quarterly basis, including impacts to the long-term success and valuation of the portfolio company.

Administer the Province's partnership interests in OVCF and NVCF

Objective	Performance Measure	Targets
Oversee OVCF and NVCF partnership interests to maximize value creation.	Track and benchmark investments using venture capital metrics quarterly, seeking to continuously find opportunities to improve efficiencies.	• Operating costs within approved budget allocation. • Fund performance reflects Canadian venture capital industry norms and corrective action taken as necessary.
Oversee OVCF and NVCF commitments to underlying fund managers and direct co-investments to ensure adherence to the goals and objectives of the respective funds.	Review on quarterly basis adherence to partnership agreements, including but not limited to any parameters on investments; geographic/industry diversification of portfolio; and pacing of commitments etc.	Ensure funds have the necessary portfolio diversification to achieve performance targets and make necessary inquiries if targets are not met.
Meet all OVCF and NVCF capital calls within the required timelines.	OVCF and NVCF capital calls met by the required deadline.	100% of all OVCF and NVCF capital calls met by the deadline specified by the general partner.
Track interim results and report on key performance indicators.	Obtain key performance indicators and other relevant metrics from the general partner on a quarterly basis; review and ensure adherence to partnership agreements; and gather market intelligence with respect to underlying portfolio companies and direct co-investments.	On a quarterly basis, key performance indicators are obtained and met and if not, action is taken on a timely basis.
Support the fund manager as required with additional fundraising strategies for NVCF to reach an additional close.	Additional NVCF close achieved.	Successfully reach a third close.

Support the development of Ontario's venture capital ecosystem and the implementation of the Province's venture capital policies

Objective	Performance Measure	Targets
Participate in venture capital industry initiatives to raise awareness of OCGC's mandate and potential investment opportunities in Ontario.	Gather market intelligence to support venture capital public policies to help continue to develop Ontario's venture capital ecosystem and gather data on opportunities generated.	Assess the market intelligence and data and take action as appropriate.
Monitor, review, and respond to developments and/or government venture capital policy initiatives.	Assess relevant governmental\industry developments on a quarterly basis.	Assessments completed on a quarterly basis and appropriate action taken.

4.0 OVERVIEW OF CORPORATE-WIDE RISK ASSESSMENT AND MANAGEMENT

Risk Factor	Description	Likelihood of Occurrence (High, Medium, Low)	Impact if risk realized (High, Medium, Low)	Mitigation Strategy
Human Resources Risk	Risk that OCGC does not have sufficient staff resources to meet its mandate.	Medium	High	Review organizational needs on an annual basis and conduct independent third party review of organizational effectiveness.
Financial Risk	Potential weakness in capital markets could make it more difficult to recoup OCGC investments through exits.	Medium	High	OCGC models the investment risk of its portfolio and receives semi-annual valuation reports from its external service provider.
Operational Risk	Business continuity risk in the event of disasters or other events.	Medium	Medium	OCGC's business continuity plan and procedures manual are updated on a regular basis. Systems, procedures and controls are in place and staff is adequately trained.

Risk Factor	Description	Likelihood of Occurrence (High, Medium, Low)	Impact if risk realized (High, Medium, Low)	Mitigation Strategy
Strategic Risk (Policy Changes)	Changes made by the Province to existing venture capital policies could result in additional changes to responsibilities for OCGC.	Medium	High	Monitor, assess, and respond to development in support of the Province's venture capital policies and plans. Provide technical analysis and advice to support the policy process.

5.0 RESOURCES

OCGC's full-time equivalents ("FTE") count is included in the Ministry's overall FTE count. The cost of eight (8) FTEs and associated overhead are fully recoverable from OCGC. Only one (1) OCGC position is excluded from collective bargaining. Employees are compensated in accordance with Part III of the *Public Service of Ontario Act, 2006* (Ontario) and employees earning more than $100,000 annually are subject to the *Public Sector Salary Disclosure Act, 1996* (Ontario).

OCGC works closely with the Ministry's Strategic Human Resources unit to implement and maintain the Province's human resources strategies, policies, and practices. OCGC will seek to achieve its business objectives at currently approved staffing levels.

6.0 COMMUNICATION PLAN

Updates related to OCGC can be found on its website, www.ontario.ca/ocgc. The site includes, but is not limited to, the annual reports and OETF investment updates. OVCF updates can be found at www.ovcf.com and NVCF updates are available at the general partner's website www.northleafcapital.com. Annual financial statements are also available in Volume 2 of the Public Accounts of Ontario.

OCGC responds to inquiries from the public in a timely manner regarding its venture capital funds and its responsibilities.

7.0 OVERVIEW OF 2014-15 RESULTS

Manage the OETF investment portfolio

Performance Measures	Targets	Results
Maintain OETF operating costs within approved budget allocation.	OETF operating costs to be within approved budget allocation.	OETF operating costs are within approved budget allocation.
Follow-on transactions completed by the specified deadlines.	All approved follow-on investments closed by the specified deadlines.	100% of approved follow-on investments were closed by the specified deadlines.
Analyze/compile key performance indicators on a quarterly basis.	Report key performance indicators to the Board on a quarterly basis.	Key performance indicators and portfolio company developments analysed every quarter, including impacts to the long-term success and valuation of the portfolio company.

Administer the Province's partnership interests in OVCF and NVCF

Performance Measures	Targets	Results
Maintain operational costs within approved budget allocation.	Operating costs to be within approved budget allocation.	OETF operating costs are within approved budget allocation.
OVCF and NVCF capital calls met by the deadline specified by the GP.	All OVCF and NVCF capital calls met by the required deadline.	100% of OVCF and NVCF capital calls met by the deadline specified by the GP.
Receive key performance indicators from the general partner on a quarterly basis.	Key performance indicators received from the GP on a quarterly basis.	Received key performance indicators from the general partner every quarter, confirmed that partnership agreements were adhered to, and market intelligence gathered.
Additional NVCF close achieved.	Successfully reach a second close.	Second close reached in August 2014, bringing total NVCF commitments to $233.5 million.

Support the development of Ontario's venture capital ecosystem and the implementation of the Province's venture capital policies

Performance Measures	Targets	Results
Participate in venture capital industry initiatives to raise awareness of OCGC's mandate and potential investment opportunities in Ontario.	Gather market intelligence to support venture capital public policies and to help continue to develop Ontario's venture capital ecosystem.	Reported on the quantifiable results of each initiative and took necessary action as appropriate.
Monitor or act upon any impact of venture capital policy changes to OCGC's operations.	Meet operational requirements on a timely basis to implement the Province's policy initiatives.	OCGC reallocated staff to support the Ministry with the development of proposed venture capital initiatives as required.

APPENDIX A

Financials

Proposed Operating Expenditures, Projected Revenues & Funding Requirements

OCGC is an operational enterprise agency of the Province. It has a legislated requirement to issue audited financial statements for the fiscal year, which are approved by its Board of Directors and to submit these to the Minister within 90 days after the end of every fiscal year. T' e financial statements summarize OCGC's revenue and expenditures and are tabled in the Legislature once approved by the Minister. The statements are also included in the Public Accounts of Ontario. OCGC's financial results are consolidated with those of the Province for Public Accounts and Budget purposes.

The business plan sets out the operating expenditures and revenues of the OCGC in the past fiscal year with a forecast over the next three fiscal periods (Table 1 - Statements of Operating Expenditures and Table 2 - Statements of Operations & Changes in Accumulated Operating Surplus). Table 3 sets out the corresponding projection for the Statements of Financial Position[5]. These statements substantially follow the Public Sector Accounting Board standards.

Table 1: Multi-Year Statements of Operating Expenditures

Statements of operating expenditures (in thousands of Canadian dollars) All figures are unaudited	Forecast for the 12-months of fiscal 2014-15	Actual results for the initial 6-months of fiscal 2014-15	Forecast for the fiscal years ending March 31st 2015-16	2016-17	2017-18
Shared operating costs with the Ministry:					
Salaries & wages	690	335	812	827	842
Benefits	55	27	65	66	67
Services	85	41	100	100	100
Supplies & equipment	70	34	82	84	86
Transportation & communications	27	13	32	33	34
Total reimbursements to the Ministry	927	450	1,091	1,110	1,129
Other direct operating expenses:					
Cash management fees	35	16	42	35	28
Professional services fees	645	181	752	662	672
Board and committee member expenses	20	3	20	20	20
Total ODOE	700	200	814	717	720
Total direct operating expenses	1,627	650	1,905	1,827	1,849

[5] Given the 2012 pause in new company investments under OETF, portfolio diversification of direct investments across industry sectors, business cycles, pipeline of deals brought forward by new and/or existing qualified co-investors, and other prudent factors cannot be attained. Therefore, without sufficient diversification to mitigate the high-risk in making direct venture capital investments, potential OETF portfolio performance cannot be modeled; henceforth, other than for the current fiscal, no forecast for the out years will be speculated to estimate OETF impairments, foreign exchange gains/losses, capital gains/losses, and investment income. This will impact the accuracy of the projections in Table 2 and Table 3 on the next page.

Table 2: Multi-Year Statements of Operations & Changes in Accumulated Operating Surplus

Statements of operations and changes in accumulated operating surplus (in thousands of Canadian dollars) All figures are unaudited	Forecast for the 12-months of fiscal 2014-15	Actual results for the initial 6-months of fiscal 2014-15	Forecast for fiscal years ending March 31st 2015-16	2016-17	2017-18
Revenues:					
Ontario transfer payments – OETF	10,635	4,000	10,000	6,850	4,000
Interest income on marketable securities	1,500	719	1,250	1,100	1,000
Capital gains/ investment income on distributions from OETF	945	79	n/a	n/a	n/a
Capital gains/ investment income on distributions from OVCF/ NVCF	50	18	100	150	200
	13,130	4,816	11,350	8,100	5,200
Expenses:					
Direct operating expenses	1,627	650	1,905	1,827	1,849
Foreign exchange (gain) loss	(50)	(7)	n/a	n/a	n/a
Capital losses/ impairment of OETF	6,828	4,562	n/a	n/a	n/a
	8,405	5,205	1,905	1,827	1,849
Operating surplus for the period	4,725	(389)	9,445	6,273	3,351
Accumulated operating surplus - beginning	229,744	228,745	234,469	243,914	250,187
Accumulated operating surplus - ending	234,469	228,356	243,914	250,187	253,538

Table 3: Multi-Year Statements of Financial Position

Statements of financial position (in thousands of Canadian dollars) All figures are unaudited	Forecast for the 12-months of fiscal 2014-15	Actual results for the initial 6-months of fiscal 2014-15	Forecast for fiscal years ending March 31st 2015-16	2016-17	2017-18
Financial assets:					
Cash and cash equivalents	2,500	6,490	2,500	2,500	2,500
Accounts receivable	12	2,286	12	12	12
Portfolio investments:					
Marketable securities	97,065	100,538	60,116	40,162	35,023
Ontario Venture Capital Fund LP	55,000	51,058	70,000	81,500	87,500
Ontario Emerging Technologies Fund	63,462	59,647	71,962	77,312	79,812
Northleaf Venture Catalyst Fund LP	17,739	9,764	40,633	50,000	50,000
Total Assets	235,778	229,783	245,223	251,486	254,847
Liabilities:					
Accounts payable and accrued liabilities	200	361	200	200	200
Net assets	235,578	229,422	245,023	251,296	254,647
Non financial assets	-	-	-	-	-
Accumulated surplus	235,578	229,422	245,023	251,296	254,647
Accumulated surplus is comprised of:					
Accumulated operating surplus	234,469	228,356	243,914	250,187	253,538
Accumulated remeasurement gains (losses)	1,109	1,066	1,109	1,109	1,109
	235,578	229,422	245,023	251,296	254,647

APPENDIX B

Corporate Structure and Accountability

Governing Legislation

OCGC is a corporation without share capital established by the *Ontario Capital Growth Corporation Act, 2008* (the "Act") that was proclaimed in force as of February 1, 2009. The Act provides for the appointment of OCGC's Board of Directors (including the Chair and Vice-Chair) by the Lieutenant Governor in Council (the "LGIC"). Ontario Regulation 149/13 also prescribes additional OCGC duties.

Agency Classification

The Act states that OCGC is an agent of the Crown. OCGC is classified as an operational enterprise agency, pursuant to Management Board of Cabinet's ("MBC") *Agency Establishment and Accountability Directive*.

Minister of Research and Innovation

The Minister of Research and Innovation (the "Minister") is responsible to the Legislature for the fulfilment of OCGC's mandate and for reporting on OCGC's affairs, including tabling its annual report in the Legislature. The Minister reviews and approves OCGC's annual business plan.

In accordance with MBC requirements, the Minister enters into or affirms a Memorandum of Understanding with the Chair of OCGC, which sets out OCGC's mandate, as well as the roles and responsibilities of the Minister, Deputy Minister, Chair, OCGC's Board of Directors (the "Board") and President/CEO with respect to OCGC. The MOU also sets out financial and other reporting responsibilities of OCGC to the Minister. The Minister recommends the approval of the MOU by MBC.

APPENDIX C

Corporate Governance

Chair

The Chair provides leadership and direction to the President/CEO and the Board and is accountable to the Minister of Research and Innovation (the "Minister") for monitoring OCGC's performance. In addition, the Chair is responsible for developing the MOU with the Minister and for submitting OCGC's annual business plan, including budget, to the Minister.

Board of Directors

The Board of Directors ("the "Board") is appointed by the Lieutenant Governor in Council. The Board is currently comprised of 2 private sector members and 3 civil servants (current and retired). The civil servants are drawn on the recommendation of the Minister from relevant government areas.

The Board supervises the management of OCGC's business and is responsible for taking action to address any failure of OCGC to perform in accordance with applicable laws and government policies. The Board is accountable to the Minister for the supervision of OCGC's business. The Board generally meets on a monthly basis. Board members must subscribe to a Code of Conduct which addresses standards of conduct and the ethical behaviour expected of Directors.

Audit and Risk Committee

The Audit and Risk Committee (the "A&R Committee") supports the Board by reviewing OCGC's financial statements and making recommendations to the Board as required with respect to financial accounting, audit and risk management. This includes recommending the annual audit plan to the Board, oversight of the audit process, and review of the external auditors' findings/recommendations in the preparation of audited financial statements. From time to time, the A&R Committee may also oversee the internal audit of OCGC's business operations, including but not limited to the adequacy of internal controls, risk management and other related matters.

Human Resources Committee

The Human Resources Committees committee supports the Board by reviewing the human resources programs and practices of OCGC related to compensation, performance evaluation, and training.

President and Chief Executive Officer ("CEO")

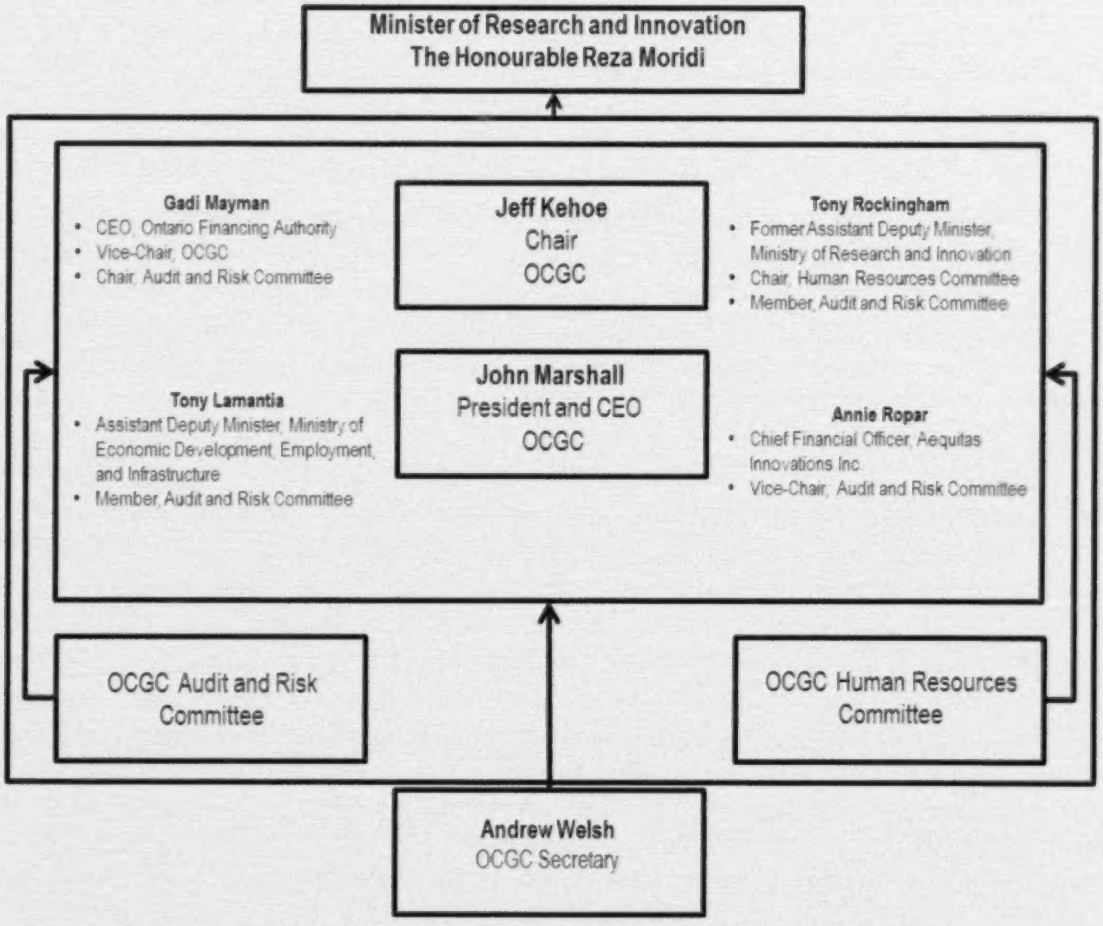
The CEO is appointed by the Board and is employed by OCGC on such terms and conditions as the Board may approve. The CEO is accountable to the Board through the Chair for managing OCGC's day to day operations in accordance with its annual business plan, OCGC's by-laws, Board-approved policies, applicable government directives/policies/guidelines, and any directions from the Minister or the Board. The CEO provides regular updates at Board meetings regarding OCGC's operations and reports regularly to the Chair concerning OCGC's affairs.

Employees

All employees of OCGC are civil servants employed under Part II of the *Public Service of Ontario Act, 2006 (Ontario)*. OCGC's day to day operations are carried out by staff under the supervision of the CEO. Currently, there are no executive officers or managers in place other than the CEO.

APPENDIX D

Ontario Capital Growth Corporation
Organizational Chart


Minister of Research and Innovation
The Honourable Reza Moridi
Gadi Mayman
• CEO, Ontario Financing Authority
• Vice-Chair, OCGC
• Chair, Audit and Risk Committee
Jeff Kehoe
Chair
OCGC
Tony Rockingham
• Former Assistant Deputy Minister, Ministry of Research and Innovation
• Chair, Human Resources Committee
• Member, Audit and Risk Committee
John Marshall
President and CEO
OCGC
Tony Lamantia
• Assistant Deputy Minister, Ministry of Economic Development, Employment and Infrastructure
• Member, Audit and Risk Committee
Annie Ropar
• Chief Financial Officer, Aequitas Innovations Inc.
• Vice-Chair, Audit and Risk Committee
OCGC Audit and Risk Committee
OCGC Human Resources Committee
Andrew Welsh
OCGC Secretary

Note:

Tony Vander Voet, Former Assistant Deputy Minister, Ministry of Research and Innovation and Robert Burns, Chief Administrative Officer & Assistant Deputy Minister, Ministries of Energy/ Economic Development, Employment and Infrastructure/ Research and Innovation are both members of OCGC's Human Resources Committee.